

**MINUTES  
of the  
FIFTH MEETING  
of the  
MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE**

**October 12, 2006  
Mortgage Finance Authority Office  
344 Fourth Street SW  
Albuquerque, New Mexico**

The fifth meeting of the Mortgage Finance Authority (MFA) Act Oversight Committee was called to order by Representative Silva, chair, on October 12, 2006 at 10:20 a.m.

**Present**

Rep. Daniel P. Silva, Chair  
Sen. Nancy Rodriguez, Vice Chair  
Rep. Thomas A. Anderson  
Sen. Mark Boitano  
Rep. Roberto "Bobby" J. Gonzales  
Sen. Leonard Lee Rawson  
Rep. Teresa A. Zanetti

**Absent**

Sen. Cisco McSorley

**Advisory Members**

Sen. Richard C. Martinez  
Rep. Harriet I. Ruiz

Rep. Daniel R. Foley  
Sen. Phil A. Griego  
Sen. John T.L. Grubescic  
Sen. Steven P. Neville  
Sen. H. Diane Snyder

**Staff**

Ramona Schmidt

**MFA Staff**

Jay Czar  
Izzy Hernandez  
Lionel Holguin  
Sandra Marez  
Erin Quinn

**Guests**

The guest list is in the meeting file.

**Thursday, October 12**

A motion was made to approve the minutes from the June 20, July 20, August 22 and September 7 meetings, which was seconded and unanimously adopted.

Ms. Quinn invited committee members to the Sixth Biennial Governor's Housing Summit and reviewed the proposed agenda. Representative Silva recommended that committee members attend if possible.

### **Proposed 2007 Legislative Agenda**

Ms. Quinn and Mr. Holguin presented the MFA-proposed legislative agenda for the 2007 legislative session to the committee. Discussion occurred on some of the legislation that is being directed through the Governor's Office.

Mr. Czar stated that Lawrence Rael is serving as director of the Region III Housing Authority. In response to a question as to the oversight and auditing authority over all regional housing authorities, Ms. Quinn stated that in statute, the state auditor has auditing authority. Ms. Quinn noted that each regional housing authority varies in what functions it administers. Discussion occurred on reform of regional housing authorities, bond rates available through the MFA and possible duplication of services through the MFA and the regional housing authorities.

Ms. Quinn stated that the MFA is looking for a \$2.5 million appropriation for the EnergySavers Program to assist with incentivization for energy-efficient buildings. She noted that the impact on the passage of the proposed constitutional amendment would result in the elimination of a technical barrier; currently, the loans for the Housing Trust Fund are for infrastructure cost only in order to meet provisions of the antidonation clause. Ms. Quinn stated that the loans are below market rate and structured in terms of favorability to the borrowers. It is likely the \$11 million currently funded for the Housing Trust Fund will be spent before the end of this fiscal year and, given only the ability to finance infrastructure, if the constitutional amendment passes, there will be an increased need for funding.

Discussion occurred as to the effect on housing costs in Deming and Columbus from the increase in border patrols, which has resulted in an increase in the local economy. The MFA is responding to this issue and will meet with officials from Deming to see how individuals in the area may benefit from MFA programs.

Ms. Quinn stated that the MFA will be requesting \$2 million in recurring funding for the HERO Program to buy down interest rate on taxable bonds. The total units resale in Bernalillo County is approximately 14,000 and the new unit sale is approximately 8,000.

MFA-sponsored initiatives were reviewed and include the Emergency Repair/"Rehab Lite" Fund appropriation for \$2 million, which cannot currently be done under the HUD Program; the Weatherization Assistance Program for a \$1 million appropriation to leverage Department of Finance and Administration funding; and the Workforce Housing Development Program appropriation request for \$100,000 for a feasibility analysis. Ms. Quinn updated the

committee on the Workforce Housing Development Program and the varying issues faced by the essential workforce throughout the state. She stated the community of Clayton is involved in the Workforce Housing Development Program through the state Corrections Department.

Ms. Quinn stated that there are a number of programs that the MFA supports but does not necessarily sponsor. These include the New Mexico Coalition to End Homelessness, the Human Services Department and the Department of Health supportive housing appropriations, technical corrections to the Deed of Trust Act, the Governor's Task Force on "Our Communities, Our Future" housing-related agenda, changes to land lease provisions in Corrections Department statutes and local option gross receipts tax exemption for affordable housing.

Ms. Quinn reminded committee members that the legislative requests will be presented in more detail at the November meeting.

### **Constitutional Amendment**

Ms. Quinn stated that Constitutional Amendment 4 is a measure to eliminate a technical barrier to allow the state to provide low-interest loans to first-time buyers for affordable housing. The proposed amendment to Article 9, Section 14 of the Constitution of New Mexico would permit the state, an instrumentality of the state and local governments to provide or pay a portion of the cost of land, buildings or necessary financing for affordable housing projects. Ms. Quinn reviewed some of the issues currently limiting the MFA by the existing anti-donation clause. Discussion occurred regarding the MFA's assistance of entities under the land grants, the interaction of federal and state laws impacting the MFA programs, FEMA regulations and the variation in program funding that could occur if the amendment passes. Ms. Quinn shared some of the issues being faced on the passage of the constitutional amendment. She noted that there is a committee working on the issues related to its passage.

### **DRAFT 2007 Strategic Plan**

Due to time constraints, Mr. Hernandez and Linda Bridge, MFA staff, will address the committee on this item at the November MFA meeting.

There being no further business, the committee adjourned at 11:57 a.m. after a motion duly made, seconded and unanimously adopted.

Materials distributed at the meeting are in the meeting file in the Legislative Council Service Library.